

Japan Credit Rating Agency, Ltd. (JCR) announces the following credit rating.

Loan Note Instrument (RTL[®] Mortgage Super Senior Note Series II)

<Affirmation>

Loan Note Instrument: AA-

Rationale

This is an investment project through Churchill Real Estate SPC for loans collateralized by residential properties, land, etc. in the U.S. (“real estate collateralized loan”), and the instrument for the rating is the facility for issuing notes by Churchill Real Estate SPC. Churchill Investment Management LLC, the investment manager, has a good track record that suggests its appropriate management structure. In light of the fundamentals of the U.S. housing market and other factors, JCR believes that it is difficult to assume that market conditions will deteriorate to a level worse than the conditions assumed in the stress test. Taking also into account that the quality of the assets under management is generally maintained, JCR has affirmed the rating.

Tomohiko Iwasaki, Satoshi Inomata

Rating

<Affirmation>

| Instrument Name | Maximum Issue Amount (bn) | Establishment Date | Coupon | Rating |
|--|---------------------------|--------------------|----------------------|--------|
| Loan Note Instrument (RTL ^{®1} Note Series SS II) | USD 5 | Feb. 15, 2022 | Based on Performance | AA- |

<Information on Outline of Issue>

| | |
|--|--|
| Maturity Redemption Date: | Date when 3 years have passed from the issue |
| Final Redemption Date: | One year after the Early Redemption Date or Maturity Redemption Date (however, the amortization period can be extended for additional 6 months by agreement) |
| Redemption Method: | Lump-sum cash settlement or amortization in the given period |
| Credit Enhancement & Liquidity Facility: | Reserves |

<Information on Structure and Stakeholders>

| | |
|---------------------|--|
| Issuer: | Churchill Real Estate SPC |
| Arranger: | Churchill Finance LLC Churchill Finance Japan, Inc. |
| Investment Manager: | Churchill Investment Management LLC |

<Information on Underlying Assets>

| | |
|-------------------------------|------------------|
| Outline of Underlying Assets: | Loan Receivables |
|-------------------------------|------------------|

Rating Assignment Date: August 29, 2024

The assumptions for the credit ratings and the definitions of the rating symbols are published as “Types of Credit Ratings and Definitions of Rating Symbols” (January 6, 2014) in Information about JCR Ratings on JCR’s website (<https://www.jcr.co.jp/en/>).

Outline of the rating methodology is shown as “Real Estate (Securitization)” (August 2, 2021), “ABL (Asset-based Lending)” (February 22, 2018) and “Investment Funds” (November 22, 2019) in Information about JCR Ratings on JCR’s website (<https://www.jcr.co.jp/en/>). Rating methodologies for other ancillary points such as eligible deposit accounts and bankruptcy remoteness are also shown within the same page.

The rating stakeholder participated in the rating process of the aforementioned credit ratings.

¹ RTL (Registered Trademark No. 6701964) is the registered trademark of Churchill Finance Japan, Inc.



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JCR publishes its press releases regarding the rating actions both in Japanese and in English on the same day. In case that it takes time to translate rating rationale, JCR may publicize the summary version, which will be replaced by the full translated version within three business days. (Regarding Structured Finance products, JCR only publicize the summary version in English.)
